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Puerto Rico

San Juan Mayor Discusses Order in Local Pay-Go Lawsuit, Skips Oversight Board Meeting at CRIM Based on City's Pending Lawsuit Against Board

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Relevant Document: Lawsuit

In a [statement](#) this afternoon, San Juan Mayor Carmen Yulín Cruz said she was pleased by the decision of the San Juan Court of First Instance in the municipality's litigation regarding San Juan's obligations under the pay-go system. The Puerto Rico court's ruling provides a path for San Juan to gain access to Employees Retirement System, or ERS, records for the purpose of determining the exact amount that San Juan is obliged to pay under the pay-go system. The mayor also announced she would not attend today's meeting between the PROMESA oversight board and the Municipal Revenue Collection Center board of directors because of the municipality's [lawsuit](#) against the oversight board.

Judge Anthony Cuevas Ramos called the request of San Juan to review the records "reasonable and legitimate" given that the city's pay-go bill jumped to \$54 million from \$33 million in the course of one year, the mayor said. She added that the court ordered the ERS and the municipality to meet and confer to try to reach an agreement regarding the inspection of records to determine if an adjustment in the city's pay-go bill is required. If an agreement cannot be reached, a hearing will take place on June 21, the mayor said.

The city filed suit on May 29 against the ERS, the Puerto Rico Treasury Department, the Puerto Rico Government Retirement Board and the heads of the entities in their official capacity.

The lawsuit seeks, among other things, a preliminary and permanent injunction against the defendants to preclude any attempt to collect pay-go debt from San Juan until alleged "deficiencies and legal defects" in the pay-go billing outlined in the complaint are resolved.

Cruz said she filed suit against the commonwealth to defend city residents against the illegal attempt to "financially trample on our municipality."

"I reiterate that this action is a consequence of the decision of the Puerto Rico government to transfer to municipal hands the responsibility to pay the Retirement System after decades of irresponsible decisions," Cruz said. She said the lawsuit was aimed at ensuring that the city pays the correct amount to the pension fund and no more.

Cruz [said](#) she would not attend today's oversight board meeting with CRIM board members, saying the city's lawsuit against the board inhibits her from attending. She reiterated that the oversight board's move to declare the island's 78 municipalities as covered entities under PROMESA is an "unjustified and unconstitutional abuse of the power delegated by Congress."

"After three years under the control of the board, it is evident that its policies have been detrimental to the well-being of our citizens and our democratic institutions," the mayor said. "In San Juan, we don't consent, but continue challenging the board's abuse of power and its austerity measures."

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